



August 6, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95815

Re: Low Carbon Fuel Standard (LCFS) – Public Workshop to Discuss Potential Changes to the LCFS

Dear California Air Resources Board and Staff,

Recover Inc. (RECOVER) participated in the July 7th LCFS public workshop and appreciates the opportunity to provide comments on the potential future changes to the LCFS program. As a company focused on reducing the carbon intensity of fuels, we are a strong supporter of the LCFS program and the state's efforts to achieve carbon neutrality by 2045.

RECOVER is a leading technology company focused on the recovery and recycling of oil and natural gas waste, significantly reducing greenhouse gas (GHG) emissions and the carbon intensity of transportation fuel. Founded over fifteen years ago, RECOVER employs a solvent extraction technology that was adapted from numerous other applications (such as food grade oils) and tailored to process oil and natural gas waste streams. Currently, this hydrocarbon waste is sent to Class II uncovered landfills in California and across the United States, which rapidly evaporates and biodegrades into the atmosphere and releases GHG and other harmful emissions. RECOVER currently operates its commercial demonstration facility in Alberta, Canada and has partnered with a large industrial waste company in North America to build waste-to-energy facilities directly on their Class II uncovered landfills. To date, RECOVER has identified twenty expansion sites across the United States, including California.

Hydrocarbon waste is a major problem in California and beyond. This includes drilling waste, tank bottoms, and oil spills/contaminated soils that are all sent to uncovered Class II landfills that do not have methane capture systems. These hydrocarbon waste streams biodegrade rapidly and emit up to 18 million metric tons of GHG emissions annually, as well as release toxic airborne contaminants that impact local communities living near these uncovered landfills. There is also risk of the waste leaking into the local environment and contaminating soils and groundwater supplies. This is especially concerning, as many of these Class II uncovered landfills and active oil and natural gas development areas are often located near or adjacent to disadvantaged communities.

With the LCFS program, there is an opportunity to incentivize recovering and recycling hydrocarbon waste to mitigate these emissions and negative environmental impacts to California's disadvantaged communities. RECOVER's solvent extraction technology recycles the carbon from the oil and natural gas



waste, producing a new diesel product that avoids between 300 gCO₂e to 530 gCO₂e of emissions per MJ of created energy.

We respectfully request the inclusion of recycled fuel from oil and natural gas waste in the LCFS program. Specifically, we strongly support:

1. Recognizing the GHG emission reductions from recovering and recycling oil and gas waste, similar to other waste streams; and
2. Creating a new method or project type within the Innovative Crude or Refinery Investment Credit programs.

Including hydrocarbon solvent extraction from oil and natural gas waste in the LCFS Program will create the incentive needed to address the significant GHG emissions emitted from disposing hydrocarbon waste in open, Class II uncovered landfills, as well as help reduce the carbon intensity of fuels in California and carryout key actions in the Draft 2022 Scoping Plan, including within the Low Carbon Fuels and Improvements to Oil and Gas Facilities. Recovering and recycling hydrocarbon waste will immediately reduce emissions as California reaches its goal to phase out oil and natural gas extraction over the next two decades.

We appreciate the opportunity to provide comments on the potential changes to the LCFS program. We thank you for your consideration of these, or other options to include recycled fuel from oil and natural gas waste in the LCFS program and mitigate harmful emissions from fossil fuel extraction in California and beyond. We look forward to continuing to work together and will be reaching out to LCFS staff to schedule a meeting in the coming weeks.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Stanley Ross'.

Stanley Ross - President & CEO
Recover Inc.